Introduced by Senator Negrete McLeod

February 18, 2010

An act to amend Sections 22, 473.1, 473.15, 473.2, 473.3, 473.4, 473.6, and 9882 of, to add Sections 473.12 and 473.7 to, to repeal Sections 473.16 and 473.5 of, and to repeal and add Sections 101.1 and 473 of, the Business and Professions Code, relating to regulatory boards.

LEGISLATIVE COUNSEL'S DIGEST

SB 1171, as introduced, Negrete McLeod. Regulatory boards: operations.

Existing law creates various regulatory boards, as defined, within the Department of Consumer Affairs, with board members serving specified terms of office. Existing law generally makes the regulatory boards inoperative and repealed on specified dates, unless those dates are deleted or extended by subsequent legislation, and subjects these boards that are scheduled to become inoperative and repealed as well as other boards in state government, as specified, to review by the Joint Committee on Boards, Commissions, and Consumer Protection. Under existing law, that committee, following a specified procedure, recommends whether the board should be continued or its functions modified. Existing law requires the State Board of Chiropractic Examiners and the Osteopathic Medical Board of California to submit certain analyses and reports to the committee on specified dates and requires the committee to review those boards and hold hearings as specified, and to make certain evaluations and findings.

This bill would abolish the Joint Committee on Boards, Commissions, and Consumer Protection and would authorize the appropriate policy committees of the Legislature to carry out its duties. The bill would terminate the terms of office of each board member or bureau chief

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within the department on unspecified dates and would authorize successor board members and bureau chiefs to be appointed, as specified. The bill would also subject interior design organizations, the State Board of Chiropractic Examiners, the Osteopathic Medical Board of California, the Tax Education Council, and the Naturopathic Medical Committee to review on unspecified dates. The bill would authorize the appropriate policy committees of the Legislature to review the boards, bureaus, or entities that are scheduled to have their board membership or bureau chief so terminated or reviewed, as specified, and would authorize the appropriate policy committees of the Legislature to investigate their operations and to hold specified public hearings. The bill would require a board, bureau, or entity, if its annual report contains certain information, to post that report on its Internet Web site. The bill would make other conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 22 of the Business and Professions Code 2 is amended to read:
- 22. (a) "Board," as used in any provision of this code, refers to the board in which the administration of the provision is vested, and unless otherwise expressly provided, shall include "bureau," "commission," "committee," "department," "division," "examining committee," "program," and "agency."
 - (b) Whenever the regulatory program of a board that is subject to review by the Joint Committee on Boards, Commissions, and Consumer Protection, as provided for in Division 1.2 (commencing with Section 473), is taken over by the department, that program shall be designated as a "bureau."
- SEC. 2. Section 101.1 of the Business and Professions Code is repealed.
 - 101.1. (a) It is the intent of the Legislature that all existing and proposed consumer-related boards or categories of licensed professionals be subject to a review every four years to evaluate and determine whether each board has demonstrated a public need for the continued existence of that board in accordance with enumerated factors and standards as set forth in Division 1.2 (commencing with Section 473).

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(b) (1) In the event that any board, as defined in Section 477, becomes inoperative or is repealed in accordance with the act that added this section, or by subsequent acts, the Department of Consumer Affairs shall succeed to and is vested with all the duties, powers, purposes, responsibilities and jurisdiction not otherwise repealed or made inoperative of that board and its executive officer.

- (2) Any provision of existing law that provides for the appointment of board members and specifies the qualifications and tenure of board members shall not be implemented and shall have no force or effect while that board is inoperative or repealed. Every reference to the inoperative or repealed board, as defined in Section 477, shall be deemed to be a reference to the department.
- (3) Notwithstanding Section 107, any provision of law authorizing the appointment of an executive officer by a board subject to the review described in Division 1.2 (commencing with Section 473), or prescribing his or her duties, shall not be implemented and shall have no force or effect while the applicable board is inoperative or repealed. Any reference to the executive officer of an inoperative or repealed board shall be deemed to be a reference to the director or his or her designee.
- (c) It is the intent of the Legislature that subsequent legislation to extend or repeal the inoperative date for any board shall be a separate bill for that purpose.
- SEC. 3. Section 101.1 is added to the Business and Professions Code, to read:
- 101.1. (a) Notwithstanding any other provision of law, if the terms of office of the members of a board are terminated in accordance with the act that added this section or by subsequent acts, successor members shall be appointed that shall succeed to, and be vested with, all the duties, powers, purposes, responsibilities, and jurisdiction not otherwise repealed or made inoperative of the members that they are succeeding. The successor members shall be appointed by the same appointing authorities, for the remainder of the previous members' terms, and shall be subject to the same membership requirements as the members they are succeeding.
- (b) Notwithstanding any other provision of law, if the term of office for a bureau chief is terminated in accordance with the act that added this section or by subsequent acts, a successor bureau chief shall be appointed who shall succeed to, and be vested with,

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all the duties, powers, purposes, responsibilities, and jurisdiction not otherwise repealed or made inoperative of the bureau chief that he or she is succeeding. The successor bureau chief shall be appointed by the same appointing authorities, for the remainder of the previous bureau chief's term, and shall be subject to the same requirements as the bureau chief he or she is succeeding.

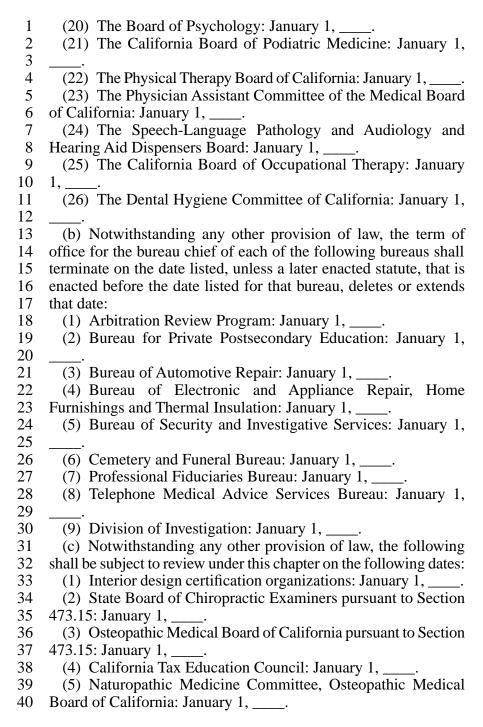
- SEC. 4. Section 473 of the Business and Professions Code is repealed.
- 473. (a) There is hereby established the Joint Committee on Boards, Commissions, and Consumer Protection.
- (b) The Joint Committee on Boards, Commissions, and Consumer Protection shall consist of three members appointed by the Senate Committee on Rules and three members appointed by the Speaker of the Assembly. No more than two of the three members appointed from either the Senate or the Assembly shall be from the same party. The Joint Rules Committee shall appoint the chairperson of the committee.
- (e) The Joint Committee on Boards, Commissions, and Consumer Protection shall have and exercise all of the rights, duties, and powers conferred upon investigating committees and their members by the Joint Rules of the Senate and Assembly as they are adopted and amended from time to time, which provisions are incorporated herein and made applicable to this committee and its members.
- (d) The Speaker of the Assembly and the Senate Committee on Rules may designate staff for the Joint Committee on Boards, Commissions, and Consumer Protection.
- (e) The Joint Committee on Boards, Commissions, and Consumer Protection is authorized to act until January 1, 2012, at which time the committee's existence shall terminate.
- SEC. 5. Section 473 is added to the Business and Professions Code, to read:
- 473. Whenever the provisions of this code refer to the Joint Committee on Boards, Commissions, and Consumer Protection, the reference shall be construed to be a reference to the appropriate policy committees of the Legislature.
- policy committees of the Legislature.
 SEC. 6. Section 473.1 of the Business and Professions Code
 is amended to read:
- 39 473.1. This chapter shall apply to all of the following:

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1 (a) Every board, as defined in Section 22, that is scheduled to 2 become inoperative and to be repealed on a specified date as provided by the specific act relating to the board. have its 4 membership reconstituted on a specified date as provided by 5 subdivision (a) of Section 473.12. 6 (b) The Cemetery and Funeral Bureau. Every bureau that is named in subdivision (b) of Section 473.12. 8 (c) Every entity that is named in subdivision (c) of Section 9 473.12. SEC. 7. Section 473.12 is added to the Business and Professions 10 Code, to read: 11 12 473.12. (a) Notwithstanding any other provision of law, the 13 term of office of each member of the following boards in the department shall terminate on the date listed, unless a later enacted 14 15 statute, that is enacted before the date listed for that board, deletes 16 or extends that date: 17 (1) The Dental Board of California: January 1, ____. (2) The Medical Board of California: January 1, ____. 18 19 (3) The State Board of Optometry: January 1, ____. (4) The California State Board of Pharmacy: January 1, _____. 20 21 (5) The Veterinary Medical Board: January 1, ___ 22 (6) The California Board of Accountancy: January 1, _ 23 (7) The California Architects Board: January 1, ____. 24 (8) The State Board of Barbering and Cosmetology: January 1, 25 26 (9) The Board for Professional Engineers and Land Surveyors: 27 January 1, 28 (10) The Contractors' State License Board: January 1, (11) The Board of Registered Nursing: January 1, ____. 29 30 (12) The Board of Behavioral Sciences: January 1, ____. 31 (13) The State Athletic Commission: January 1, 32 (14) The State Board of Guide Dogs for the Blind: January 1, 33 34 (15) The Court Reporters Board of California: January 1, 35 (16) The Board of Vocational Nursing and Psychiatric 36 Technicians: January 1, ___ (17) The Landscape Architects Technical Committee: January 37 38 1, _ 39 (18) The Respiratory Care Board of California: January 1, ____.

(19) The Acupuncture Board: January 1, ____.

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(d) Nothing in this section or in Section 101.1 shall be construed to preclude, prohibit, or in any manner alter the requirement of Senate confirmation of a board member, chief officer, or other appointee that is subject to confirmation by the Senate as otherwise required by law.

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- (e) It is not the intent of the Legislature in enacting this section to amend the initiative measure that established the State Board of Chiropractic Examiners or the Osteopathic Medical Board of California.
- SEC. 8. Section 473.15 of the Business and Professions Code 10 11 is amended to read:
 - 473.15. (a) The Joint Committee on Boards, Commissions, and Consumer Protection established pursuant to Section 473 appropriate policy committees of the Legislature shall review the following boards established by initiative measures, as provided in this section:
 - (1) The State Board of Chiropractic Examiners established by an initiative measure approved by electors November 7, 1922.
 - (2) The Osteopathic Medical Board of California established by an initiative measure approved June 2, 1913, and acts amendatory thereto approved by electors November 7, 1922.
 - (b) The Osteopathic Medical Board of California shall prepare an analysis and submit a report as described in-subdivisions subdivision (a) to (e), inclusive, of Section 473.2, to the Joint Committee on Boards, Commissions, and Consumer Protection appropriate policy committees of the Legislature on or before September 1, 2010.
 - (c) The State Board of Chiropractic Examiners shall prepare an analysis and submit a report as described in subdivisions subdivision (a) to (e), inclusive, of Section 473.2, to the Joint Committee on Boards, Commissions, and Consumer Protection appropriate policy committees of the Legislature on or before September 1, 2011.
- 34 (d) The Joint Committee on Boards, Commissions, and 35 Consumer Protection appropriate policy committees of the 36 Legislature shall, during the interim recess of 2004 for the 37 Osteopathic Medical Board of California, and during the interim 38 recess of 2011 for the State Board of Chiropractic Examiners 2011, hold public hearings to receive testimony from the Director of
- 39 40 Consumer Affairs, the board involved Osteopathic Medical Board

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of California, the State Board of Chiropractic Examiners, the public, and the regulated industry. In that hearing those hearings, each board shall be prepared to demonstrate a compelling public need for the continued existence of the board or regulatory program, and that its licensing function is the least restrictive regulation consistent with the public health, safety, and welfare.

- (e) The Joint Committee on Boards, Commissions, and Consumer Protection appropriate policy committees of the Legislature shall evaluate and make determinations pursuant to Section 473.4 and shall report its findings and recommendations to the department as provided in Section 473.5.
- (f) In the exercise of its inherent power to make investigations and ascertain facts to formulate public policy and determine the necessity and expediency of contemplated legislation for the protection of the public health, safety, and welfare, it is the intent of the Legislature that the State Board of Chiropractic Examiners and the Osteopathic Medical Board of California be reviewed pursuant to this section.
- (g) It is not the intent of the Legislature in-requiring a review under enacting this section to amend the initiative measures that established the State Board of Chiropractic Examiners or the Osteopathic Medical Board of California.
- SEC. 9. Section 473.16 of the Business and Professions Code is repealed.
- 473.16. The Joint Committee on Boards, Commissions, and Consumer Protection shall examine the composition of the Medical Board of California and its initial and biennial fees and report to the Governor and the Legislature its findings no later than July 1, 2008.
- SEC. 10. Section 473.2 of the Business and Professions Code is amended to read:
- 473.2. (a) All boards to which this chapter applies or bureaus listed in Section 473.12 shall, with the assistance of the Department of Consumer Affairs, prepare an analysis and submit a report to the Joint Committee on Boards, Commissions, and Consumer Protection appropriate policy committees of the Legislature no later than 22 months before that board board's membership or the bureau chief's term shall-become inoperative be terminated pursuant to Section 473.12. The analysis and report shall include,

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(a) A comprehensive statement of the board's mission, goals, objectives and legal jurisdiction in protecting the health, safety, and welfare of the public.

- (b) The board's enforcement priorities, complaint and enforcement data, budget expenditures with average- and median-costs per case, and case aging data specific to post and preaccusation cases at the Attorney General's office.
 - (c) The board's

- (1) The number of complaints it received per year, the number of complaints per year that proceeded to investigation, the number of accusations filed per year, and the number and kind of disciplinary actions taken, including, but not limited to, interim suspension orders, revocations, probations, and suspensions.
- (2) The average amount of time per year that elapsed between receipt of a complaint and the complaint being closed or referred to investigation; the average amount of time per year elapsed between the commencement of an investigation and the complaint either being closed or an accusation being filed; the average amount of time elapsed per year between the filing of an accusation and a final decision, including appeals; and the average and median costs per case.
- (3) The average amount of time per year between final disposition of a complaint and notice to the complainant.
- (4) A copy of the enforcement priorities including criteria for seeking an interim suspension order.
- (5) A brief description of the board's or bureau's fund conditions, sources of revenues, and expenditure categories for the last four fiscal years by program component.
- (d) The board's description of its licensing process including the time and costs
- (6) A brief description of the cost per year required to implement and administer its licensing examination, ownership of the license examination, the last assessment of the relevancy and validity of the licensing examination, and the passage rate for each of the last four years, and areas of examination.
- (e) The board's initiation of legislative efforts, budget change proposals, and other initiatives it has taken to improve its legislative mandate.
- 39 (7) A copy of sponsored legislation and a description of its 40 budget change proposals.

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39 40 (8) A brief assessment as to whether its licensing fees are sufficient, too high, or too low.

- (9) A brief statement detailing how the board or bureau over the prior four years has improved its enforcement, public disclosure, accessibility to the public, including, but not limited to, Internet Web casts of its proceedings, and fiscal condition.
- (b) If an annual report contains information that is required by this section, a board or bureau may submit the annual report to the committees and shall post that report on the board's or bureau's Internet Web site.
- SEC. 11. Section 473.3 of the Business and Professions Code is amended to read:
- (a) Prior to the termination, continuation, or reestablishment of the terms of office of the membership of any board or any of the board's functions, the Joint Committee on Boards, Commissions, and Consumer Protection shall the chief of any bureau described in Section 473.12, the appropriate policy committees of the Legislature, during the interim recess preceding the date upon which a board becomes inoperative board member's or bureau chief's term of office is to be terminated, may hold public hearings to receive and consider testimony from the Director of Consumer Affairs, the board or bureau involved, and the Attorney General, members of the public, and representatives of the regulated industry. In that hearing, each board shall have the burden of demonstrating a compelling public need for the continued existence of the board or regulatory program, and that its licensing function is the least restrictive regulation consistent with the public health, safety, and welfare regarding whether the board's or bureau's policies and practices, including enforcement, disclosure, licensing examination, and fee structure, are sufficient to protect consumers and are fair to licensees and prospective licensees, whether licensure of the profession is required to protect the public, and whether an enforcement monitor may be necessary to obtain further information on operations.
- (b) In addition to subdivision (a), in 2002 and every four years thereafter, the committee, in cooperation with the California Postsecondary Education Commission, shall hold a public hearing to receive testimony from the Director of Consumer Affairs, the Bureau for Private Postsecondary and Vocational Education, private postsecondary educational institutions regulated by the

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bureau, and students of those institutions. In those hearings, the bureau shall have the burden of demonstrating a compelling public need for the continued existence of the bureau and its regulatory program, and that its function is the least restrictive regulation consistent with the public health, safety, and welfare.

- (c) The committee, in cooperation with the California Postsecondary Education Commission, shall evaluate and review the effectiveness and efficiency of the Bureau for Private Postsecondary and Vocational Education, based on factors and minimum standards of performance that are specified in Section 473.4. The committee shall report its findings and recommendations as specified in Section 473.5. The bureau shall prepare an analysis and submit a report to the committee as specified in Section 473.2.
- (d) In addition to subdivision (a), in 2003 and every four years thereafter, the committee shall hold a public hearing to receive testimony from the Director of Consumer Affairs and the Bureau of Automotive Repair. In those hearings, the bureau shall have the burden of demonstrating a compelling public need for the continued existence of the bureau and its regulatory program, and that its function is the least restrictive regulation consistent with the public health, safety, and welfare.
- (e) The committee shall evaluate and review the effectiveness and efficiency of the Bureau of Automotive Repair based on factors and minimum standards of performance that are specified in Section 473.4. The committee shall report its findings and recommendations as specified in Section 473.5. The bureau shall prepare an analysis and submit a report to the committee as specified in Section 473.2.
- SEC. 12. Section 473.4 of the Business and Professions Code is amended to read:
- 473.4. (a) The Joint Committee on Boards, Commissions, and Consumer Protection shall appropriate policy committees of the Legislature may evaluate and determine whether a board or regulatory program has demonstrated a public need for the continued existence of the board or regulatory program and for the degree of regulation the board or regulatory program implements based on the following factors and minimum standards of performance:

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(1) Whether regulation by the board is necessary to protect the public health, safety, and welfare.

- (2) Whether the basis or facts that necessitated the initial licensing or regulation of a practice or profession have changed.
- (3) Whether other conditions have arisen that would warrant increased, decreased, or the same degree of regulation.
- (4) If regulation of the profession or practice is necessary, whether existing statutes and regulations establish the least restrictive form of regulation consistent with the public interest, considering other available regulatory mechanisms, and whether the board rules enhance the public interest and are within the scope of legislative intent.
- (5) Whether the board operates and enforces its regulatory responsibilities in the public interest and whether its regulatory mission is impeded or enhanced by existing statutes, regulations, policies, practices, or any other circumstances, including budgetary, resource, and personnel matters.
- (6) Whether an analysis of board operations indicates that the board performs its statutory duties efficiently and effectively.
- (7) Whether the composition of the board adequately represents the public interest and whether the board encourages public participation in its decisions rather than participation only by the industry and individuals it regulates.
- (8) Whether the board and its laws or regulations stimulate or restrict competition, and the extent of the economic impact the board's regulatory practices have on the state's business and technological growth.
- (9) Whether complaint, investigation, powers to intervene, and disciplinary procedures adequately protect the public and whether final dispositions of complaints, investigations, restraining orders, and disciplinary actions are in the public interest; or if it is, instead, self-serving to the profession, industry or individuals being regulated by the board.
- (10) Whether the scope of practice of the regulated profession or occupation contributes to the highest utilization of personnel and whether entry requirements encourage affirmative action.
- (11) Whether administrative and statutory changes are necessary to improve board operations to enhance the public interest.
- 39 (b) The Joint Committee on Boards, Commissions, and 40 Consumer Protection shall consider alternatives to placing

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responsibilities and jurisdiction of the board under the Department
 of Consumer Affairs.

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- (b) Nothing in this section precludes any board from submitting other appropriate information to the Joint Committee on Boards, Commissions, and Consumer Protection. appropriate policy committees of the Legislature.
- SEC. 13. Section 473.5 of the Business and Professions Code is repealed.
- 473.5. The Joint Committee on Boards, Commissions, and Consumer Protection shall report its findings and preliminary recommendations to the department for its review, and, within 90 days of receiving the report, the department shall report its findings and recommendations to the Joint Committee on Boards, Commissions, and Consumer Protection during the next year of the regular session that follows the hearings described in Section 473.3. The committee shall then meet to vote on final recommendations. A final report shall be completed by the committee and made available to the public and the Legislature. The report shall include final recommendations of the department and the committee and whether each board or function scheduled for repeal shall be terminated, continued, or reestablished, and whether its functions should be revised. If the committee or the department deems it advisable, the report may include proposed bills to carry out its recommendations.
- SEC. 14. Section 473.6 of the Business and Professions Code is amended to read:
- 473.6. The chairpersons of the appropriate policy committees of the Legislature may refer to the Joint Committee on Boards, Commissions, and Consumer Protection for interim study review of any legislative issues or proposals to create new licensure or regulatory categories, change licensing requirements, modify scope of practice, or create a new licensing board under the provisions of this code or pursuant to Chapter 1.5 (commencing with Section 9148) of Part 1 of Division 2 of Title 2 of the Government Code.
- 36 SEC. 15. Section 473.7 is added to the Business and Professions Code, to read:
- 38 473.7. The appropriate policy committees of the Legislature may, through their oversight function, investigate the operations

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of any entity to which this chapter applies and hold public hearings on any matter subject to public hearing under Section 473.3.

SEC. 16. Section 9882 of the Business and Professions Code is amended to read:

- 9882. (a) There is in the Department of Consumer Affairs a Bureau of Automotive Repair under the supervision and control of the director. The duty of enforcing and administering this chapter is vested in the chief who is responsible to the director. The director may adopt and enforce those rules and regulations that he or she determines are reasonably necessary to carry out the purposes of this chapter and declaring the policy of the bureau, including a system for the issuance of citations for violations of this chapter as specified in Section 125.9. These rules and regulations shall be adopted pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.
- (b) In 2003 and every four years thereafter, the Joint Committee on Boards, Commissions, and Consumer Protection shall appropriate policy committees of the Legislature may hold a public hearing to receive and consider testimony from the Director of Consumer Affairs-and, the bureau. In those hearings, the bureau shall have the burden of demonstrating a compelling public need for the continued existence of the bureau and its regulatory program, and that its function is the least restrictive regulation consistent with the public health, safety, and welfare, the Attorney *General, members of the public, and representatives of this industry* regarding the bureau's policies and practices as specified in Section 473.3. The committee shall appropriate policy committees of the Legislature may evaluate and review the effectiveness and efficiency of the bureau based on factors and minimum standards of performance that are specified in Section 473.4. The committee shall report its findings and recommendations as specified in Section 473.5. The bureau shall prepare an analysis and submit a report to the committee appropriate policy committees of the Legislature as specified in Section 473.2.